

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-007-00149R

Parcel No. 8814-12-101-013

**Jeff Elmore,**

Appellant,

**vs.**

**Black Hawk County Board of Review,**

Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on October 31, 2019. Jeffrey Elmore was self-represented. Black Hawk County Attorney Michael Treinen represented the Board of Review.

Jeffrey and Julie Elmore own a residential property located at 3775 Ranchero Road, Waterloo. The property's January 1, 2019, assessment was set at \$416,910 allocated as \$67,550 in land value, and \$349,360 in dwelling value. (Ex. B).

Elmore petitioned the Board of Review claiming there was an error in the assessment Iowa Code section 441.37(1)(a)(1)(4). (Exs. 1 & C). The Board of Review found there was an error and changed the grade of Elmore's property resulting in an assessment of \$406,850 allocated as \$67,550 in land value and \$339,300 in dwelling value. (Ex. B).

Elmore appealed to PAAB reasserting his claim.

## **General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case.

§ 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–71.126.2(2-4). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. § 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009).

## **Findings of Fact**

The subject property is a one-story home built in 2005. It has 2184 square feet of gross living area which includes a sun room addition, 1525 square feet of living-quarter finish basement, a wood deck, a concrete patio, a porch, and a three-car attached garage. The dwelling has a good quality construction grade (3+10) and is listed in normal condition. The site is 1.51 acres. (Ex. A).

The property record card describes some of the subject's amenities including radiant heat, an island kitchen with a built-in pantry, a breakfast bar, and sky lights. There is also a first floor laundry and vaulted ceilings in the great room. The master bedroom has tray ceilings, and the master bath has a jetted tub.

Elmore purchased the property in 2009. At that time there was no basement finish. The basement was finished in 2017 with drywall, nine-foot ceilings, and recessed lighting. It includes a family room, three bedrooms, and a full bathroom. A portion of the basement remains unfinished with exposed framing.

Elmore testified that prior to the 2019 assessment, the dwelling had a 2-10 (high quality) grade, which he asserts was the highest in his neighborhood. Before his protest to the Board of Review he familiarized himself with the residential grading portion of the IOWA REAL PROPERTY APPRAISAL MANUAL 3-1 to 3-28. (Ex. 2). In his petition to the Board of Review, Elmore asserted his house has lower quality finish than what would be associated with a Grade 2 – high quality home – and believes it should be listed as a Grade 3 – good quality. He contended this is consistent with other neighborhood homes. (Ex. C). The Board of Review agreed and reduced the grade to 3+10. (Ex. B). Elmore asks PAAB to further reduce his grade to 3+00.

Elmore submitted photos of the basement in his home that he contends shows warped, twisted, and damaged 2-by-4 boards used in framing his home. He also provided photos of an uneven joint in the framing. (Ex. 1A). He testified some of the flawed framing is now covered by drywall, but portions remain visible in the unfinished area of the basement. Elmore asserts the use of inferior materials demonstrates a lower quality of workmanship in the construction of his home. There is no evidence, however, that these materials have caused any structural issues in his home.

Elmore describes the home's exterior as a "simple rectangular design" as opposed to structures with many corners or intricate designs. He believes this should be considered as additional indication that his grade is too high. Based on the property record card and photographs we note that while the subject may have an appearance of being a "simple rectangle", it is in fact more intricate. The sketch of the improvements show the main level is not simply a rectangle, it has eight cornered walls, and the garage is similar. The covered porch gives the appearance of the dwelling being a rectangle. (Ex. A, p. 3). In addition, the sun room adds corners and appealing fenestration, including a large bay window.

Elmore also submitted photos of the subject's exterior siding showing areas of loose, wrinkled, cracked or missing pieces that have come off in storms. Other photos show gaps between the siding and the brick veneer, as well as some bricks with damage. Elmore testified the siding and deck are original to the home. Photos of the deck and its staircase show some areas of warping, twisting, or loosening of some rails

and posts and some stairway risers. (Ex. 1A). Elmore testified the posts holding up the sunroom were originally smaller foundation posts that began to warp under the weight and were replaced with 8-by-8 posts. Elmore also described the interior finish of his home and provided photos showing laminate countertops, vinyl flooring, hollow core doors, a shower insert rather than tile, and areas with gaps in the flooring. (Ex. 1A). He believes the aforementioned finishes are indications of a lower-quality build and support his belief his property should have a lower grade.

The Board of Review regarded some of Elmore's concerns to be, in essence, cosmetic issues or deferred maintenance and insufficient to further lower the grade or condition. (Ex. D).

Elmore submitted four properties he believes demonstrate the grade of his home is incorrect. (Exs. 1A & 3) The Board of Review submitted one property, Comparable 5. (Ex. E). The following table summarizes these properties.

| Elmore's Comparables       | Year built | Gross living area (GLA) | Bsmt sq ft | Garage SF | Grade |
|----------------------------|------------|-------------------------|------------|-----------|-------|
| Subject – 3775 Ranchero Rd | 2005       | 2184                    | 1525       | 1088      | 3+10  |
| 1 – 4151 Ranchero Rd       | 2018       | 1776                    | 1400       | 1300      | 3+10  |
| 2 – 3707 Ranchero Rd       | 2003       | 1881                    | 326        | 1080      | 3+10  |
| 3 – 4031 Ranchero Rd       | 2013       | 1544                    | 0          | 598       | 3     |
| 4 – 3635 Ranchero Rd       | 2011       | 1736                    | 0          | 884       | 3     |
| Board of Review Comparable |            |                         |            |           |       |
| 5 - 4860 Butterfield Rd    | 1997       | 1906                    | 900        | 884       | 3+10  |

Comparables 1 and 2 have the same grade as the subject, but Elmore contends they are higher quality than his home. Elmore believes Comparables 3 and 4 are more similar in quality to his home and it should therefore have the same grade.

The subject has a three-gabled, hip roof, a partial brick front, and a sunroom addition. It also has a large, covered front porch built into the roofline, and a large wooden deck. Comparable 1 has a multi-gabled roof like the subject and what appears to be a small amount of stone veneer on the entry columns. It does not have a sunroom, porch, or deck like the subject.

Comparable 2 also has a multi-gabled, hip roof, as well as a porch, large deck, and a patio.

The rooflines of Comparables 3 and 4, in contrast, are more traditional gabled rooflines and unlike Elmore's. Additionally, both properties lack similar exterior brick or stone veneer. The exteriors of these properties bear little resemblance to the subject property, and lack similar decks built into the roof line. Additionally we note that both are smaller than the subject, with no basement finish and smaller garage space. We find these properties not comparable to the subject.

Comparable 5 has the same grade as the subject. Elmore agreed it was similar to his home but testified it had higher quality finishes such as hardwood flooring, six-panel doors, and a fireplace. (Ex. E). The photographs do indicate a great deal of architectural similarity but also show some higher quality flooring compared to the Elmore's home. This property does not appear to have an expansive porch or deck like the subject property but it does have multiple patios.

Elmore was critical of the Assessor's reference to the size of the subject home when determining its grade. He also questioned whether the focus on such items as decks and porches, which are separately priced in the manual, is double counting such items by considering them again in the grade assignment. The Assessor noted that his office considers a wide variety of factors including desirability, amount of fenestration, the footprint of the home, and design when determining the grade. (Ex. D). He stated that size is a consideration when grading because with larger homes, there are typically larger rooms, spacious kitchens, numerous bathrooms and possible walk in closets. He also acknowledged that grading involves the opinion and judgment of the appraiser.

### **Analysis & Conclusions of Law**

Elmore contends there is an error in the subject property's assessment under Iowa Code section 441.37(1)(a)(1)(4). An error may include, but is not limited to, listing errors or erroneous mathematical calculations." Iowa Admin. Code R. 701-71.20(4)(b)(4). Elmore asserts his property should be lowered from a 3+10 grade to a 3+00 grade, which would effectively lower his assessed dwelling value.

The IOWA REAL PROPERTY APPRAISAL MANUAL is used by assessors for mass appraisal. The residential schedule contains the base costs for various residential structures, and pricing tables are included to adjust for the various components normally found in residential construction. The schedules were constructed with certain norms in finish assumed. "Therefore, it is necessary to adjust the base cost using the grading schedules from this section." Manual, 3-3

There are seven basic whole grades.

- E Executive Quality
- 1 Superior Quality
- 2 High Quality
- 3 Good
- 4 Average
- 5 Below Average
- 6 Sub-standard

In addition each whole grade is broken down into sub-grades + or – to give the assessor/appraiser flexibility in determining the proper grade adjustment. The MANUAL contains grade descriptions as well as photographs of various grade buildings. MANUAL, p.3-5.

A 3 grade dwelling is generally a custom or speculation home lacking architectural frills but basically of good practical design and layout. Workmanship and materials are barely above an average type home but it will have some extra design and special features not found in the average home. It will normally have good drywall or plaster walls, hardwood floors (or wall to wall carpeting), and also better than average kitchen cabinets, plumbing facilities, and closet space. This is often referred to as an intermediate grade because it will be a 2 grade design and layout but a 4 grade workmanship and materials.

MANUAL, p.7-14.

Most of Elmore's concerns with his property's grade stem from what he considers inferior construction materials and his lower end finishes. However, as noted above, a Grade 3 home may have Grade 4 materials and still warrant the higher grade. Materials in a Grade 4 home would include average grade carpet and linoleum, hollow core doors and average quality kitchen cupboards. MANUAL, p.7-17.

The comparables Elmore submitted with 3+00 grades bore little similarity to the subject property. They lacked features like a hip roof line, exterior brick veneer, and bay windows. Additionally, they were smaller and lacked large covered porches like the subject. In contrast, Comparables 1, 2, and 5 with 3+10 grades have similar hip roof lines, possess some exterior brick or stone veneer, and other curb appeal like the subject. These properties appear to offer the most similarity to and desirability of the subject.

PAAB recognizes there is some subjectivity to grade determinations. Ultimately, however, consistency is more important than the individual grade assigned to a particular property. MANUAL, p. 3-7. The grade of a residential property is determined by considering the quality of construction, design, a property's desirability, and fenestration. MANUAL, p. 7-2. "The assessor/appraiser is given considerable latitude to and from the average. All properties are first priced according to the basic specifications, taking into consideration size, story height, and exterior wall covering. By adjusting the grade the assessor/appraiser is designating his opinion as to the amount of superior or inferior factors." *Id.* Moreover, it is important to remember that a property's condition should not impact its grade. MANUAL, p. 7-3.

The Board of Review appears to have properly considered all of the factors that go into grading a particular property and used its best judgement to lower Elmore's grade. We find there is insufficient evidence to demonstrate the grade assigned to the subject property is erroneous. The grade is consistent with the grade of properties we found most comparable. Further, it appears that some of the issues Elmore points to, such as damaged siding and flooring, may be more indicative of the property's condition rather than its quality. The Board of Review asserted these issues of deferred maintenance would not impact the original grade of the property.

Lastly, we note no evidence of sales or comparables' assessed values have been offered and there has been no showing that the grade assigned has caused the subject property to be assessed in excess of its fair market value or that it is assessed at higher proportion of its market value when compared to similarly situated properties.

*Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009); *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965).

Elmore may wish to schedule an inspection of his property with the Assessor's office if he believes he has condition issues which may also affect his assessed value.

Viewing the record as a whole, we find Elmore failed to establish an error in the assessment of the subject property.

### **Order**

PAAB HEREBY AFFIRMS the Black Hawk County Board of Review's action.

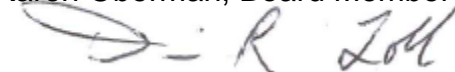
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial review action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

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Jeff Elmore by eFile